



Susan Bysiewicz  
SECRETARY OF THE STATE  
CONNECTICUT

For Immediate Release:  
April 2, 2008

For more information:  
Adam Joseph: (860) 509-6118  
Cell: (860) 817-4165

- NEWS RELEASE -

## CONNECTICUT BUSINESSES FOLDING AT RECORD PACE

BYSIEWICZ SAYS: 1<sup>ST</sup> QUARTER NUMBERS INDICATE ECONOMIC  
TROUBLE FOR CONNECTICUT

**HARTFORD:** On the same day Federal Reserve Chairman Ben Bernanke warned Congress that the economy may shrink over the first half of this year; Secretary of the State Susan Bysiewicz reported that Connecticut witnessed a record number of business stops – 2,752 – for the first quarter (January-March) of 2008. This figure represents the highest number of stops for the first quarter period since at least 2000. The March 2008 business stops represent the highest single month for 2008 at 1,107.

Connecticut's economic future looks even cloudier when comparing economic quarters by year. For example, 2008 business starts for the 1<sup>st</sup> quarter are at their lowest level – 7,761 - since the 1<sup>st</sup> quarter of 2003 when it was 7,108. The March 2008 business starts are the lowest recorded for 2008 at 2,436.

“Connecticut businesses are clearly struggling to stay afloat as the national and state economy continues to see a major decline,” said Secretary Bysiewicz. “Small business owners and others continue to grapple with the costs of doing business given escalating energy prices, the credit crunch, and health care costs. Particularly during the last few weeks of the legislative session, we must do all we can to provide support to the business community to stem the tide. That is why I have been a strong advocate of repealing the business entity tax and opening up the state employee health care plan to small businesses.”

After a review of the Secretary's report, Don Klepper-Smith, Chief Economist and Director of Research for DataCore Partners LLC of New Haven stated, "The data on starts suggests that the Connecticut economy is starting to feel the effects of a national recession, which probably began late last year. Business starts are an important gauge because they speak to not only business confidence, but job creation and investment as well. The severity of the national recession is clearly going to impact us through the remainder of the year. I expect further erosion in business starts, and a rise in business failures."

According to Dr. Steven P. Lanza, Executive Editor of *The Connecticut Economy Quarterly*, Bysiewicz's report indicates that, "The sharp drop in business starts, and the accompanying rise in business stops, is further evidence that the recession storm clouds gathering on the nation's economic horizon stretch across Connecticut, too."

As the Chief Business Registrar for the State of Connecticut, Secretary Bysiewicz maintains a Small and Minority Business Services Unit through the Commercial Recording Division. The unit hosts several business development events throughout the year including two Business Showcases. To date the Showcases have helped more than 7,000 Connecticut businesses.